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THE DIRECTOR OF CENTRAL INTELLIGENCE

Executive Registry

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC #2162-78 25 May 1978

MEMORANDUM FOR THE RECORD

FROM

: George W. Allen

Associate NIO for Special Studies

SUBJECT: 24 May SCC Meeting on US-Soviet Conventional Arms

Talks (CAT): Preparation for the Next Round

- David Aaron's opening remarks emphasized that the high priority attached by the President to engaging our Allies and the Soviets in arms sales restraints necessitated the best efforts by all agencies in preparing for the next round. He cautioned that anything less than our best efforts could lead to important tactical errors, or could cause us to send the wrong signals. If people were uneasy with the policy, they should speak up. Otherwise, the working group should press ahead in developing imaginative means for achieving restraint and further testing of Soviet reactions.
- 2. It was agreed that the timing was not good for the President to press Giscard for cooperation in restraint, but that if he did so, he should stress that we were determined not to sacrifice our security interests for the sake of achieving restraint in arms transfers. There was a consensus that the statement of US objectives in restraint be modified to include appropriate reference to our national security aims.
- 3. It was agreed that the Soviet response in the talks at Helsinki earlier this month was more favorable than had been expected. Dr. Bowie cautioned that, in exploring the question of Soviet "cooperation" in arms transfer restraints, we not lose sight of the possibility that the Soviets could end up gaining leverage over US policies and programs, i.e., that an agreement might enable the Soviets to challenge endlessly each US arms transfer decision.

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- 5. With respect to the issues up for discussion and decision, it was agreed that:
 - -- <u>US Objectives</u>. Should be modified to take US security aims into account.
 - -- <u>Pitfalls Discussion</u>. Skepticism regarding Soviet intentions; we need to look carefully into the risks of proceeding on the course of restraint.
 - -- Dealing with European Suppliers. We should avoid pressing them too hard over the next few weeks.
 - -- Approach to Recipients. In developing proposals for Africa, we should focus on one or more subregions, preferably those in which both we and the Soviets have clients and would thus be equally affected.
 - -- Work Program. In developing the work program, we need to give consideration to ways of exploiting the proposed UN machinery for data gathering and reporting. The verification question should be examined.
- 6. Aaron closed with another exhortation for cooperation in the work program by all agencies, to which the JCS representative responded defensively.

George W. Allen

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